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UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

PROCUREMENT MEMORANDUM 2017-03

ACTION

MEMORANDUM FOR: Bureau Procurement Officials
FROM: Barry E. Berkowitz
Senior Procurement Executive
and Director for Acquisition Management
SUBJECT: Internal Controls for Funding Approvals, Certification and
Obligation of Purchases

Background

The Office of Management and Budget (OMB) Circular A-123 defines management responsibility for establishing and maintaining Enterprise Risk Management and Internal Controls to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. In addition, the Anti-Deficiency Act prohibits federal agencies from obligating or expending federal funds in advance or in excess of an appropriation, and from accepting voluntary services.

Purpose

This memorandum implements internal control policies to ensure segregation of duties and assignment of responsibilities in the funding approval, certification and obligation of purchases in order to reduce the risk of error, misuse, and fraud. The policy defines the roles and responsibilities associated with creating requisitions, certifying bona fide need, certifying the availability and suitability of funds for the intended purpose, and obligating the Government.

Policy

The following roles and responsibilities apply to Department of Commerce employees involved in the purchasing process when creating requisitions, certifying bona fide need, certifying the availability and suitability of funds, and obligating the Government:

- **Requisitioner:** Creates the requisition document, enters all pertinent data elements, and ensures the requisition is routed to the Bona Fide Need Certifier and the Fund Certifying Official prior to submission of the requisition to their servicing contracting office.
- **Bona Fide Need Certifier (BFNC):** A Federal Government employee who is authorized to certify a need for the product or service being purchased, to ensure that it is: in the public interest, for a legitimate government purpose and applicable to the appropriation to be utilized. The BFNC shall exist outside of the immediate organization of both the Fund Certifying Official and the Contracting Officer to ensure that the certification is independent and unbiased. The Bona Fide Need Certifier may also retain the role and responsibilities of the Requisitioner. For organizations using C.Suite, the name of this employee should be entered into the *Authorized By* field.

- **Fund Certifying Official (FCO):** A Federal Government employee who is authorized to certify that sufficient funds are available in the identified appropriation and suitable for the intended purpose. The Fund Certifying Official shall be in a separate immediate organization from the Bona Fide Need Certifier and the Contracting Officer to ensure an independent and unbiased certification. For organizations using C.Suite, the name of this employee should be entered into the *Funds Certified By* field.
- **Contracting Officer:** A Federal Government employee who is delegated in writing by the Bureau Procurement Official, to obligate the Government pursuant to a procurement action. The Contracting Officer shall be in a separate immediate organization than the Bona Fide Need Certifier and the Fund Certifying Official to ensure an independent and unbiased certification.

Required Actions

1. Bureau Procurement Officials shall work with their Budget Office Directors to:
 - a. Identify existing authorized Fund Certifying Officials by name and provide the information to their servicing contracting office; and
 - b. Establish a process to ensure that names of all newly appointed Fund Certifying Officials or changes in Funds Certifying Officials are provided to their servicing contracting office in writing within five business days of the change.
2. Bureau Procurement Officials shall confirm compliance with these internal controls within 90 days from issuance of this Procurement Memorandum by providing a copy of their list of Fund Certifying Officials as well as their process for managing changes to the list. This information shall be submitted to me via email to:
[OAM Mailbox@doc.gov](mailto:OAM_Mailbox@doc.gov).

Effective Date

This Procurement Memorandum is effective immediately and remains in effect until it is otherwise rescinded.

Please direct any questions regarding this Procurement Memorandum to Tom Cochran at tcochran@doc.gov or 202.482.4424.